

ADMINISTRATIVE - INTERNAL USE ONLY F I L E *Training 3*

DD/S 69-5203

18 NOV 1969

MEMORANDUM FOR: Acting Director of Personnel

SUBJECT : Seminars--Financial and Estate Planning
for Mid-Group Future Retirees

1. Reference is made to the memorandum of 21 October 1969 from the Executive Director commenting on the Financial and Estate Planning Seminar conducted 21-23 October for the employees in the 40-45 year old group. Further reference is made to your memorandum of 4 November 1969 commenting on the purpose of this program and your future plans in this regard.

2. I discussed this program with the Executive Director in light of his questions as to whether this program should be held during working hours. I pointed out that it was your desire to commit a number of the 40-45 year old group to some form of program of financial estate planning and that in the initial stages this had to be done within working hours. Once a general form of commitment has been made these types of planning seminars might well be held after working hours. I further advised that you planned at least two more such seminars during the calendar year 1970 and that quite possibly you would restrict these to one-day seminars rather than the most recent three-day session.

3. The Executive Director did not object to this concept and agreed that you should go ahead during 1970 with at least two such seminars, hopefully each on a one-day basis. At the end of the second seminar please submit a report to the Executive Director as to your accomplishments and whether your program in this regard is considered successful. If at the time of this report you still have not established in the minds of the 40-45 group a sufficient commitment I am sure the Executive Director would be open to further seminars during working hours but he would hope that you have been successful and that such seminars could be moved into the after-duty-hour framework. Please render a report upon completion of the 1970 seminars.

SIGNED R. L. Bannerman

R. L. Bannerman
Deputy Director
for Support

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Director of Personnel
5E-56 HQ.

EXTENSION

NO.

DATE

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.
Deputy Director for Support
7D-18 HQ.

1. The attached memorandum has been prepared in accordance with your request concerning whether it is appropriate to conduct our Financial and Estate Planning Seminars during duty hours.

2. Briefly it covers three major points:

a. Experience has shown that a lack of sufficient finances is the primary cause for a resistance to early retirement on the part of our employees.

b. Left to their own devices, our younger employees will follow the general pattern of their elders and do little in the early stages of their careers to plan for a suitable financial position at retirement age.

c. The Financial and Estate Planning Seminars are designed to stimulate such planning early and in this regard have been one of our more popular programs; once this concept is accepted and we have reached a sufficiently large number of our "target" employees, we will then suggest that it be switched to after hours. We will hold these seminars only once a year henceforth; I would hope two more will establish this as a program worthy of after-hours pursuit by our younger people.

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Robert S. Wattles

Director of Personnel

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4 NOV 1969

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Financial and Estate Planning Seminars for
mid-careerists

1. The experiences gained by the Office of Personnel over the past two years in conducting over 2400 retirement counseling interviews and the processing of a continuous stream of requests for extension of service beyond mandatory retirement age, has conclusively confirmed that finances -- or rather the lack of sufficient finances -- is the primary causative factor inhibiting many of our prospective retirees from seriously considering early voluntary retirement and creates resistance to retirement when it is imposed upon them.

2. Our experiences are consistent with the findings of the U.S. Civil Service Commission in their recent report on their research study, "Retirement Planning Programs." This report provided the USCSC with the basis for their announcement on July 7, 1969 to the Heads of all Federal Agencies wherein they encouraged all agencies to establish retirement planning courses available to employees who wish to participate in them. This research study emphasizes the fact that retirees and eligibles alike agreed that as regards retirement program content, finances was the top category of "most needed" topics. The study further revealed that retirees not satisfied with retirement were more likely to have expected and encountered financial difficulties.

3. The problem of finances in relation to retirement militates against policy objectives of fostering retirement at age 60, increasing acceptance of mandatory retirement, encouraging more voluntary retirements, and reducing resistance to retirement generally. In recognition of this fact the RAD/OP set out to develop a facet of our program of activities that would be designed to reduce this problem area to the greatest extent possible.

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4. The development of financial difficulties in a family's personal affairs usually is accumulative over a period of years. Likewise, any action planned to prevent such difficulties from accumulating must also be afforded a sufficient time span in which to produce the desired salutary effects. The "target" employee group for such action must needs be younger employees with from ten to twenty years remaining before retirement. Left to their own devices, the average younger employee, preoccupied with current obligations, can be expected to follow the patterns of his elders with a continuation of the "too little too late" results we are witnessing today, frustrating not only his own right to graceful and untroubled retirement but frustrating also the policy objectives previously mentioned. The solution can only be found in stimulating our younger employees to plan their financial future and seriously to consider starting a supplemental income program, both as early in their careers as possible. The Financial and Estate Planning seminars were developed as the principal stimulations in the retirement program "package" for encouraging such action on the part of the younger employees. The proposed Voluntary Investment Plan will work in conjunction with the seminars and will provide a convenient way to assist the employees in the accumulation of capital.

5. The strategy of stimulating our younger employees to get their financial houses in order early in their careers dictates repetitive and more subtle appeals. The tactics of applying this strategy dictate that the information we wish to convey is conveniently made available, particularly during the period of initial exposure. Conducting the Financial and Estate Planning Seminar in Agency buildings during working hours constitutes the prime element of convenience. Once the concept is accepted and integrated into the ways of life of these younger employees, they can be expected to pursue their plans with increasing intense interest, even to the point of participating in programs after hours once they readily appreciate that it is to their own advantage. We are of the opinion that until this period of initial exposure is behind us that the seminars should be held in Agency buildings, during working hours, in circumstances that permit employees to participate as conveniently as possible. Once their own involvement becomes deep and intense, then their own interest will command that they pursue their objectives, even though some degree of inconvenience (e. g., after hours) attends the effort.

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6. On the basis of experiences and critiques to date, we are considering restructuring the agenda of the Financial and Estate Planning seminars by offering a series of "one topic" presentations of about two and one-half hours in length, one day per week spread over three or four consecutive weeks rather than the three consecutive mornings which has characterized our offerings so far. In addition to this, we anticipate that if the Voluntary Investment Plan goes into effect, there will be further changes in the content of the seminar agenda in order that such content may then dovetail with the in-house convenience as represented by the VIP.

7. Our experience to date impels us to recommend strongly that the Financial and Estate Planning seminars continue to be conducted during normal working hours in the Agency buildings with the understanding that the progress will be closely monitored and a recommendation to switch to after hours be presented whenever it is obvious that large numbers of "target" employees have made a sufficient commitment to their own program to warrant the expectation that they would pursue it after normal working hours.



Robert S. Wattles
Director of Personnel

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BULLETIN

Washington, D.C. 20515
July 7, 1969

BULLETIN NO. 831-20

SUBJECT: Civil Service Retirement: Preretirement Planning Services

Heads of Departments and Independent Establishments:

1. Purpose

This bulletin--

- o Announces a change in the Civil Service Commission's policy on pre-retirement counseling of Federal employees from one of neutrality to one of promoting, encouraging, and assisting in the establishment of preretirement planning services throughout the Federal community.
- o Encourages agencies to develop effective new preretirement planning programs and to strengthen existing preretirement planning services.
- o Provides basic guidelines to assist agencies in developing effective preretirement planning programs.
- o Indicates the type of further assistance the Civil Service Commission will provide to help make effective preretirement planning assistance available to all Federal employees who desire such services.

2. Background

a. This change in policy is based upon the results of a special research study conducted in the summer of 1968 by the Bureau of Retirement, Insurance, and Occupational Health. This study of the reactions and attitudes of a large sample of recent retirees, and a separate sample of employees eligible for retirement, concerning the need for and effectiveness of pre-retirement planning programs clearly established that employees feel a need for such programs and consider them helpful. The study's findings also indicated that--

- o Most employees, especially those who have not yet retired, think that it is hard for people to get used to retirement.

INQUIRIES: Bureau of Retirement, Insurance, and Occupational Health, 63-24650
(Code 101, Extension 24650)

CODE: 831-Retirement

DISTRIBUTION: FPM

BULLETIN EXPIRES June 30, 1970

- o Almost all employees, both active and retired, like the idea of a preretirement planning program.
- o Almost all employees, both active and retired, believe that a good preretirement planning program could help people enjoy retirement more.
- o Most of the 8% of both active and retired employees who did attend a preretirement planning program both liked it and are finding it useful.
- o Most active employees who have not yet been able to attend a preretirement planning program wish they could do so; a smaller, but substantial, proportion of the retired employees who did not attend wish that they could have.
- o A significantly larger proportion of program participants than non-participants have made definite plans for their retirement years—assumed by practically all authorities to aid in adjustment to retirement.

b. Copies of this research report have been distributed to heads of all Federal departments and agencies, agency personnel directors, Interagency Boards, and Federal Executive Boards. A limited number of additional copies are available upon request for agency personnel who are or will be responsible for developing in-house preretirement planning programs or for counseling individual retirees.

3. Guidelines

a. As with any optional counseling service, the success of the program will depend on the support and enthusiasm it receives from agency management and the degree of acceptance it attains among employees. Some employees are reluctant to participate in a preretirement planning program for fear of being treated as retirees before they are actually ready to retire. Others feel that by attending a program they are revealing an intention to retire within a few years and this will have an adverse effect on their promotion opportunities. Still others perceive programs as guises to stimulate early retirement.

b. Because of these apprehensions, proper emphasis should be placed on the concept of advance planning in both the title and the content of any preretirement planning program. The manner in which a program is introduced will often determine how well it is accepted. Attendance at a preretirement planning program must be considered a fully acceptable and normal procedure to both management and employee. Above all, employees should not be coerced or pressured into attending any such program.

c. The following practices are recommended:

- o Attendance should be optional and offered to all employees within five years of retirement eligibility.
- o The employee's spouse should be invited to attend.
- o The program should be conducted through a combination of group and individual sessions.
- o The program should be held during working hours, if possible.
- o Use of retirees in planning and conducting the program should be considered.
- o Use of correspondence courses and community, commercial, or university programs might be considered as an alternative to agency group sessions when these are impractical.
- o Joint programs offered by several agencies should be considered when the limited size of any one establishment makes development of a separate program impractical.

4. Training Course

a. The Civil Service Commission is developing a special training course to provide agency retirement advisors with knowledge and techniques useful in developing and conducting in-house preretirement planning programs. Subjects to be covered include:

- o Objectives of preretirement planning services.
- o Content of a comprehensive preretirement planning program.
- o Design and conduct of courses, e. g., eligibility considerations, format, timing, locating and utilizing resources, methods of presentation, or adaption to specific clientele.
- o Techniques of retirement counseling.
- o Typical problems.
- o Evaluating retirement planning programs.

b. This course will be offered in Washington, D. C., in August 1969, and courses will be offered throughout the country in the fall of 1969. The Commission's Bureau of Training and its Regional Training Centers will distribute announcements of these courses in the near future.

5. Continued Support

a. The Civil Service Commission will provide continued, substantive support to develop and strengthen retirement planning programs throughout the Federal community. To the extent possible, the Commission will assist in the training of agency retirement advisors, offer suggestions on the content and conduct of preretirement planning programs and provide the necessary technical assistance on civil service retirement and insurance benefits.

b. Agencies are requested to send copies of retirement planning course outlines and lists of distributive materials used to the Civil Service Commission, Attention: Bureau of Retirement, Insurance, and Occupational Health, (OPM). The Commission can then advise others of formats and procedures found effective.

Nicholas J. Oganovic

Nicholas J. Oganovic
Executive Director

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ADMINISTRATIVE - INTERNAL

Executive Registry

69-5230

21 October 1969

PO/S 69-4798

MEMORANDUM FOR: Deputy Director for Support

Bob:

I assume that personnel attending the seminar advertised in the attached Employee Bulletin are doing so on our time. I think there is at least a question as to whether retirement counseling on Government time should be undertaken for this particular group.

These are people who according to our policies have from fifteen to twenty years to serve before retiring. Certainly this is the time to start an intelligent investment program, and this of course can be parlayed into retirement planning. I have hastily calculated that each employee will be away from his desk at least nine hours. The auditorium seats 500. Hence we have a minimum of 4500 man hours devoted to the conference. I am told the average salary of this group would be a little over \$7.00 an hour, which all adds up to a minimum cost of \$31,500, a pretty expensive seminar.

I am certainly all for the seminar, but I wonder if it might not be appropriate to consider having this type of seminar for this age group during non-duty hours. After you have given this some thought, I would appreciate your discussing it with me sometime in the near future.

L. K. White

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Attachment:

Employee Bulletin

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Headquarters EMPLOYEE BULLETIN

STAT

Retirement Counseling Series #5

30 September 1969

Mid group

THE FINANCIAL AND ESTATE PLANNING SEMINAR

1. A third seminar on "Financial and Estate Planning" will be presented on the dates shown below. This seminar has been developed primarily for those employees who are forty to forty-five years of age, for generally persons in this age category have approached that period of their lives when personal and/or family obligations are more clearly identified, income patterns can be reasonably projected and sufficient time remains to their working careers to permit investment plans to mature.

2. The seminar consisting of three morning sessions, will begin on Tuesday, 21 October 1969, and will be held in the Auditorium, Headquarters Building, 9:30 a.m. to 12 noon each day. The discussion leaders will be recognized specialists in the fields of investment, insurance, banking, and legal and tax matters. The schedule and subjects are as follows:

- | | |
|------------------------------------|--|
| SESSION I, Tuesday, 21 October: | "The Necessity for Financial Planning" |
| SESSION II, Wednesday, 22 October: | "The Role of Insurance in a Financial Program" |
| SESSION III, Thursday, 23 October: | "Avoiding Financial Tangles" and "Methods, Plans, and Programs of Investing" |

3. Persons other than those in the forty to forty-five age bracket may attend on a space available basis. Previous seminars on this subject matter have been over subscribed. Employees who can not be accommodated will be notified as soon as possible and will be automatically enrolled in the next Financial Planning seminar. There

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will not be a bulletin announcing the follow-up seminar.

4. PARKING FACILITIES--The West parking lot will provide parking facilities for employees who do not have regular parking spaces at Headquarters. Very limited parking space will be available, on a first-come-first-served basis, along the periphery of the quadrangle at the main entrance to the Headquarters Building.

5. TRANSPORTATION--For those located in the Rosslyn area the bus schedule is as follows:

8:45 a.m. - Depart Magazine Building
12:30 p.m. - Depart Headquarters Auditorium

6. Spouses are invited.

Attachment

DISTRIBUTION: ALL EMPLOYEES

IF INTERESTED IN ATTENDING THE SEMINAR, COMPLETE THIS FORM AND RETURN
IT IN AN ENVELOPE ADDRESSED TO: RAD/OP, Room 212 Magazine

- DEADLINE: 13 October 1969 -

NAME: _____ DIRECTORATE: _____

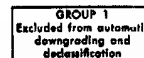
ROOM: _____ EXTENSION: _____

Spouse _____ will _____ will not attend.

Bus transportation _____ will _____ will not be used.

I _____ am _____ am not in the age group designated for this seminar.

S-E-C-R-E-T



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FINANCIAL PLANNING SEMINAR NO. 3

Tuesday, 21 October

0930 - 0940	<u>Introduction</u> - Dr. 	STAT
0940 - 1200 (with 15 min. break)	<u>The Necessity of Financial Planning</u> - Mrs. Walsh ✓ (Senior Partner, Ferris & Co.)	

Why financial planning? Assessment of your responsibilities. The lessons of past years and trends of the future. Preparing for future years. Protecting yourself and your family. Preparing your children for their future. Supplementing your retirement annuity. Methods, plans and programs of planning.

Wednesday, 22 October

0930 - 1030	<u>Protection as a Prime Element in Your Planning</u> - Mr. Frank Pastor (Metropolitan Life Insurance Co.)	
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The role of insurance in your program. The modern approach to insurance; its importance in your "living estate." Your government (FEGLI) insurance. Insurance for education, guaranteeing mortgage, as a life annuity and for other purposes. Flexibility and conversions in the modern approach.

1030 - 1045	BREAK	STAT
1045 - 1145	<u>Making Your Money Work for You</u> - (designee) Mr. 	

The psychology of investing and accepting risks. Making your decisions against the trend of future expectations. Sources of information. Choosing a broker.

Thursday, 23 October

Avoiding Financial Tangles

0930 - 1030

~~Legal Aspects of Probate and Estate Planning~~ - Mr. Karl Heinzman
(American Security & Trust Co.)

Let common sense protect your dollars. Wills, gifts, trusts, joint ownership, survivor benefits, inheritance, taxes. Don't let ignorance of the law put you or your family at a disadvantage. Sources of information.

1030 - 1040

BREAK

1040 - 1150

Methods, Plans and Programs of Investing - Mrs. Walsh

The necessity to put something away, regularly, for your future years. The roles of savings accounts, savings bonds, and equity investments. Stocks, bonds, mutual funds; advantages and disadvantages. Consideration of growth and income.

1150 - 1200

Review and Close out - Dr.

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RETIREMENT INFORMATION SEMINAR

Tuesday, 18 November - "The Meaning of Disengagement and Retirement"

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0930 - 0940	Introductory Remarks - Mr. Wattles
0940 - 1040	Purpose and Activity in Your Retirement - Dr. <input type="text"/>
1040 - 1050	BREAK
1050 - 1150	The Meaning of Disengagement - Dr. Tietjen

Wednesday, 19 November - "The Challenge to You, Personally"

STAT

0930 - 1100	Taking Stock of Your Financial Situation - Mr. <input type="text"/>
1100 - 1115	BREAK
1115 - 1215	Avoiding Financial Tangles - Karl Heinzman

Thursday, 20 November - "After Retirement, What?"

0930 - 1130	The Experiences of the 4,500 - Dr. <input type="text"/>
1030 - 1045	BREAK
1045 - 1145	Second Careers and Jobs After Retirement - Mr. <input type="text"/>

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Friday, 21 November - "AT Your Service" - Mr. Chf/RAD

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0930 - 1015	The Agency's internal resources for assisting you in planning for your retirement and reviewing your retirement benefits. (Seminars, individual counseling, ROB, EEAB)
1015 - 1030	BREAK
1030 - 1200	Discussions (Q and A) with persons who have retired

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FINANCIAL AND ESTATE PLANNING SEMINAR NO. 3

21 - 23 October 1969

Tuesday, 21 October

0930 - 0940

INTRODUCTION

Seminar Director

0940 - 1045

THE NECESSITY OF FINANCIAL PLANNING

Mrs. Julia Montgomery Walsh, General Partner,
Ferris & Company

Why financial planning? Assessment of your responsibilities. The lessons of past years and trends of the future. Preparing for future years. Protecting yourself and your family. Preparing your children for their future. Supplementing your retirement annuity. Methods, plans and programs of planning.

1045 - 1100

BREAK

1100 - 1200

THE NECESSITY OF FINANCIAL PLANNING (continued)

Mrs. Julia Montgomery Walsh, General Partner,
Ferris & Company

Wednesday, 22 October

0930 - 1030

GETTING THE MOST OUT OF YOUR LIFE INSURANCE

Mr. Frank D. Pastor, Consultant, Metropolitan Life
Insurance Company

The role of insurance in your program. The modern approach of insurance; its importance in your "living estate". Your Government life insurance (FGLI). Insurance for education; for guaranteeing mortgage; as a life annuity; and for other purposes. Flexibility and conversions in the modern approach.

1030 - 1045

BREAK

1045 - 1145

MAKING YOUR MONEY WORK FOR YOU

Mr. Robert L. Cannon, Registered Representative,
Ferris & Company

The psychology of investing and accepting risks. Making your decisions against the trend of future expectations. Sources of information. Choosing a broker.

Thursday, 23 October

0930 - 1030

AVOIDING FINANCIAL TANGLES

Mr. ~~Karl~~ F. Heinzman, Trust Officer, American Security
and Trust Company

Let common sense protect your dollars. Wills, gifts,
trusts, joint ownership, survivor benefits, inheritance taxes.
Don't let ignorance of the law put you or your family at
a disadvantage. Sources of information.

1030 - 1040

BREAK

1040 - 1150

METHODS, PLANS, AND PROGRAMS OF INVESTING

Mrs. Julia Montgomery Walsh, General Partner,
Ferris & Company

The necessity to put something away regularly for your
future years. The roles of savings accounts, savings bonds,
and equity investments. Stocks, bonds, mutual funds;
advantages and disadvantages. Consideration of growth and
income.

1150 - 1200

CLOSING REMARKS

Seminar Director